



Grantees interested in participating in training workshops and follow-up onsite help may contact Audrey Smolkin (asmolkin@hrsa.gov) for referrals and further information.

February 6, 2001

PHARMACY ISSUES

The Office of Pharmacy Affairs of the Health Resources and Services Administration (HRSA) administers the Section 340B drug discount program. Under its auspices, certain federally funded grantees have access to low-cost pharmaceutical drugs. Frank Dodge, Deputy Director of the Office of Pharmacy Affairs, and his colleagues discussed issues of drug accessibility in a conference call with CAP grantees on February 6, 2001.

HRSA's Drug Pricing Program, authorized under Section 340B of the Public Health Service Act, requires drug manufacturers participating in Medicaid to provide formula-based discounts or rebates for 16 specified HHS programs and safety net hospitals and clinics. Since its inception in 1992, the program has cut drug costs for participants approximately 23 percent by \$1.5 billion. The Prime Vendor program, developed under another Section 340B provision, should allow even greater savings for its participating customers through combined buying power. These savings are used by health centers and other participating health care providers to expand access to prescription drugs and other services for uninsured and underinsured people.

Other HRSA programs that facilitate the acquisition of low-cost pharmaceutical drugs for health care providers were discussed:

Disproportionate Share Hospitals

Disproportionate Share Hospitals (DSH) may also buy discounted outpatient drugs under Section 602 of the Veterans Health Care Act, as long as they receive 11.75% or more of their revenue through Medicare reimbursement and participate in a state and/or local government health care program. For more information on the links between DSH and the discount drug program, visit the Office of Pharmacy Affairs website and click on "DSH". The website also provides information on how to become a DSH.

Prime Vendor Program

Patients at community health centers, HIV/AIDS treatment and drug assistance programs, safety net hospitals and clinics, and many other health care providers serving low-income individuals can gain access to lower cost prescription drugs under an agreement with Bergen Brunswig Drug Company (BBDC) as the prime vendor for HRSA's Office of Drug Pricing. As prime vendor, BBDC negotiates lower prices with pharmaceutical companies based on the extensive nationwide buying power of 12,000 entities eligible to participate in HRSA's prime vendor program.

BBDC consolidates drug sales and delivery, and negotiates the best price on drugs for the network of health providers participating in the Prime Vendor program. Other benefits to participating health care providers include lower distribution costs, reduced turnaround times for delivery of critical drugs and decreased inventory costs. In addition, the BBDC will offer help to participating sites to more efficiently utilize the drug manufacturers' Indigent Drug Program, provide technical assistance in pharmacy management services to the network of health providers in the prime vendor program, gauge patient satisfaction, automate business transactions for health care providers and package drugs in quantities patients need.

Contracted Pharmacy Services

The Office of Pharmacy Affairs has developed contracted pharmacy services guidelines. These guidelines are designed to facilitate program implementation for covered entities that wish to utilize contracted pharmacy services to dispense section 340B outpatient drugs but do not have access to an "in-house" pharmacy.

Other programs of interest to CAP grantees include:

Volunteers in Health Care (VIH)

VIH is a nationwide, non-profit program established in 1997 as a resource for health care providers interested in organizing or expanding volunteer- led health and dental services for the uninsured in their communities. VIH offers call-in technical assistance, networking and educational experiences, and seed grants.

VIH seeks to:

- ◆ Identify organizations across the United States that systematically use clinical volunteers
- ◆ Provide technical assistance and small grants to such organizations
- ◆ Link organizations with each other, creating a communication and resource network and helping to share lessons learned
- ◆ Shine a light on the achievements, dilemmas, and scopes of these organizations' efforts to care for the uninsured
- ◆ Inform public policy

VIH also supports RxAssist, an on-line tool created to assist health care providers in locating sources of free pharmaceuticals for their uninsured patients. Their website includes a searchable database with information on accessing more than 100 manufacturer's programs and offers step-by-step forms with directions on how to apply.

Public Hospital Pharmacy Coalition

The Public Hospital Pharmacy Coalition (PHPC) is an organization of more than 100 safety net hospitals and health systems located throughout the U.S. The Coalition was formed to increase the affordability and accessibility of pharmaceutical care for the nation's poor and underserved populations.

PHPC monitors, educates and serves as an advocate on federal legislative and regulatory issues related to drug pricing and other pharmacy matters affecting safety net providers. PHPC members participate in the Public Health Service's 340B drug discount

program. The Coalition is dedicated to protecting the 340B program and creating new opportunities for members to save on pharmaceuticals.

For additional information:

Office of Pharmacy Affairs:

Toll Free Number for Technical Assistance: **1-866-PHARMTA**

For Policy Issues and Questions: **1-800-628-6297**

Website: <http://www.hrsa.gov/odpp/>

(Includes information on DSH, 340B, Prime Vendor, and the BPHC Clinical Pharmacy Demonstration Projects)

Volunteers In Health Care/Rx Assist:

Phone Number: **1-877-844-8442**

Websites: www.volunteersinhealthcare.org

www.rxassist.org

Public Hospital Pharmacy Coalition

Phone Number: **202/624-7346**

Website: www.phpc-rx.org

SPEAKERS ON THIS CALL:

- ◆ Frank Dodge: Deputy Director, Office of Pharmacy Affairs, HRSA
- ◆ Bill Matthews: Prime Vendor Program, HRSA
- ◆ Janet Walton: Volunteers in Health
- ◆ Kathryn Richardson: Indigent Drug Program
- ◆ Ted Slafsky: Public Pharmacy Hospital Coalition
- ◆ Bill Von Oehsen: Public Pharmacy Hospital Coalition

DISEASE MANAGEMENT CALL PARTICIPANTS:

Name	Organization
Abby Sears	Oregon
Amir Abrams	LA CAP
Audrey Smolkin	HRSA Philadelphia, PA
Aurelia Jones-Taylor	Aaron E. Henry Community Health Center, MS
Barbara Eyman	Powell Goldstein
Beryl Cochran	HRSA Seattle
Bob Harris	Harlan County KY CAP
Brenda Theus	CAP PD, Memphis

Cynthia Walker	CHOICE Regional Health Network Olympia, WA
Dave Fant	WV CAP
Debbie L. Nuss	Community Health Council KS CAP
Dennis Williams	NC CAP
Edgar Brisbon	PA CAP
Irma Honda	HRSA San Francisco
Jackie Lifer	Lawyer
James Burnosky	RWJ: Communities in Charge
Jason Ladmer	KS CAP
Jay McGath	HRSA
Jennifer Dalton	Ingham, MI
JoAnne Jorgenson	Inova Health System
Joanne Omi	NYC CAP
John Prochaska	Chicago
Joseph Cooper	Milwaukee CAP
Judy Szalapski	MN CAP
Julia Tillman	Central CAP
Kay Freeman	CareNet Partners: Tallahassee, FL
Kristen West	CHOICE Regional Health Network Olympia, WA
Lela Keyes	Aaron E. Henry Community Health Center, MS
Len Stewart	MA CAP
Linda Cundiff	Somerville, MA
Liz DiCarlo	MA CAP
Liz Whitley	Denver Health
Luanne Nyberg	Hennepin County Medical Center
Lynn Evans-Riester	Inova Health System
MAC contractors	Management Assistance Corporation
Marika Bertolini	CHOICE Regional Health Network Olympia, WA
Mark B. Wilcox	Health Federation of Philly
Mary Helen Mays	El Paso CAP
Michael Head	Cincinnati
Mike DeLucca	FL CAP
Paula Lucey	Milwaukee CAP
Phebe King	Maine Health
Richard Liniger	San Fran HRSA
Ruth Woolum	SKYCAP-Hazard
Seema Verna	Indianapolis, IN
Stacy Kelly	Austin CAP
Steve Dorage	HRSA Atlanta
Tammy Eberly	Tahoga CAP
Tammy Stoltz	PCAP Pima Community Access Program
Ted Hanley	Galveston CAP
Tom Irons	NC CAP
Tom Lewis	MD CAP
Tracey Bush	New Orleans CAP
Zandra Glenn	Leon County CAP
Synthesis Writers	Synthesis Professional Services